



## United States Department of State

Bureau of Nonproliferation

Washington, D.C. 20520-6817

January 23, 2003

Ms. Janice Dunn Lee  
Director, International Programs  
United States Nuclear Regulatory Commission  
Rockville, Maryland

Dear Ms. Lee:

I refer to the letter from your office, dated December 26, 2002 requesting the views of the Executive Branch as to whether issuance of an export license in accordance with the application hereinafter described meets the applicable criteria of the Atomic Energy Act of 1954, as amended:

NRC No. XMAT0403 - SGL Carbon, LLC has applied for authorization to export to Canada up to 870,000 kilograms of bulk nuclear grade graphite for production of various non-nuclear commercial articles by Speer Canada, an SGL affiliate.

It is the judgment of the Executive Branch that the proposed export will not be inimical to the common defense and security of the United States, and is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978. The Executive Branch also concurs in the NRC proposal to limit the license to a validity of five years.

As a party to the NPT, Canada has committed itself to maintain IAEA safeguards on all of its peaceful nuclear activities and has pledged not to produce or otherwise acquire any nuclear explosive device, therefore satisfying criteria (1) and (2) of Section 109b of the Atomic Energy Act, as amended, for exports of nuclear components, substances and items. The remaining criterion, agreement not to retransfer any of the U.S.-supplied nuclear components, substances or items including bulk nuclear grade graphite without prior U.S. consent, has been satisfied by the receipt of generic assurance letters dated July 7, 1978 and December 15, 1978, from the Embassy of Canada, the subject of our letter to your office dated February 5, 1979.

On the basis of the foregoing, the Executive Branch recommends that the license be issued.

Sincerely,

A handwritten signature in dark ink, appearing to read "Alex R. Burkart".

Alex R. Burkart  
Acting Director  
Nuclear Energy Affairs